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23 April 2007

The Editor
Lian He Zao Bao
Forum Page

100 High Street
#07-01 The Treasury
Singapore 179434
www.psd.gov.sg

Dear Editor,

I refer to the letters "Why the unfair treatment?", from Mr Peng Wei Shen (Lian He Zao Bao, Apr 21, 2007), and "Voice of a retired civil servant", from Mr Du De Fa (Lian He Zao Bao, Apr 23, 2007).

The Government will be making a special ex-gratia payment to pensioners who retired before 1 Jan 1982 in recognition of their hard work and contributions which laid the foundation for Singapore's prosperity today. Unlike pensioners who retired after 1982, this group of pensioners would not have enjoyed the benefits of the National Wages Council increases when they were consolidated into pensionable basic salary in Jan 1982.

Officers who retired before Mar 1972, when all pensionable officers were brought under the Central Provident Fund (CPF) Act, would also not have enjoyed the benefits of the employers' contributions to their CPF.

Pension is paid on account of an officer's past services. It is fixed and not adjusted based on changes in circumstances. Nevertheless in 1974, the Government introduced an ex-gratia Singapore Allowance to help eligible resident pensioners.

With the GST increase in July 2007, the Government will increase the Singapore Allowance with effect from the same date from \$180 to \$200 per month to help pensioners. The gross ceiling of pension plus Singapore Allowance will be revised from \$1100 to \$1150. In this way, more pensioners will benefit from the Singapore Allowance.

Yours sincerely

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